

## GEF EO Terminal Evaluation Review Form

1. PROJECT DATA				
			Review date:	October 10, 2008
GEF Project ID:	945		<u>at endorsement</u> (Million US\$)	<u>at completion</u> (Million US\$)
IA/EA Project ID:	P066752	<b>GEF financing:</b>	8.00	7.99
Project Name:		IA/EA own:	0	0
Country:	Ecuador	Government:	7.33	7.3
		Other*:		
		Gov of Germany	8.33	8.33
		The Netherlands	2.33	2.33
		InterAmerican DevBk	5.00	5.00
		National NGO	5.69	5.69
		<b>Total Cofinancing</b>	28.68	28.65
Operational Program:	Biodiversity	<b>Total Project Cost:</b>	36.68	36.64
IA	World Bank	<u>Dates</u>		
Partners involved:	Ministry of the Environment Fondo Ambiental Nacional, Germany-KFW and GTZ Interamerican Development Bank Government of Ecuador The Netherlands The Nature Conservancy Conservation International	Effectiveness/ Prodoc Signature (i.e. date project began)		12/16/2003
		Closing Date	Proposed: 06/30/2007	Actual: 12/30/2007
Prepared by:	Reviewed by:  Alejandro Imbach	Duration between effectiveness date and original closing (in months): 42	Duration between effectiveness date and actual closing (in months): 48	Difference between original and actual closing (in months): 6
Author of TE: Sati Achath		TE completion date:  July 2008	TE submission date to GEF EO: July 2008	Difference between TE completion and submission date (in months): 0

\* Other is referred to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

### 2. SUMMARY OF PROJECT RATINGS AND KEY FINDINGS

Please refer to document GEF Office of Evaluation Guidelines for terminal evaluation reviews for further definitions of the ratings.

Performance Dimension	Last PIR	IA Terminal Evaluation	IA Evaluation Office evaluations or reviews	GEF EO
2.1a Project outcomes	S	S	S	S
2.1b Sustainability of Outcomes	N/A	M	N/A	ML
2.1c Monitoring and evaluation	S	S	S	S
2.1d Quality of implementation and Execution	NA	NA	S	S
2.1e Quality of the evaluation report	N/A	N/A	S	HS

2.2 Should the terminal evaluation report for this project be considered a good practice? Why?
Yes. It addresses all key components required in a systematic way, providing evidence and detailed analysis to substantiate its assessments and ratings
2.3 Are there any evaluation findings that require follow-up, such as corruption, reallocation of GEF funds, mismanagement, etc.?
No. There is no indication in the TE about issues requiring follow-up and the Review of the TE did not find any aspect requiring follow-up.

### 3. PROJECT OBJECTIVES

<b>3.1 Project Objectives</b>
<p><b>a. What were the Global Environmental Objectives of the project? Were there any changes during implementation?</b></p> <p>a) strengthen the legal and regulatory framework for the co-management of protected areas;  b) design and implement management plans for two priority protected areas (Machallila and Cotacachi-Cayapas), pilot concessions for services and develop participatory planning/management models in these areas;  c) consolidate a Protected Areas Trust Fund to cover the recurrent costs of up to nine priority protected areas; and  d) consolidate the monitoring and information system for the NSPA.</p> <p>Both Objectives and Indicators remained unchanged during Project Implementation</p>
<p><b>b. What were the Development Objectives of the project? Were there any changes during implementation?</b></p> <p>The project's development objective is to ensure the conservation and management of Ecuador's biodiversity for socially sustainable development by strengthening the National System of Protected Areas (NSPA) through improving the legal, institutional and financial foundations and capacities for the integrated, participatory management of protected areas.</p> <p>This Objective remained unchanged during Project implementation</p>

### 4. GEF EVALUATION OFFICE ASSESSMENT OF OUTCOMES AND SUSTAINABILITY

<b>4.1.1 Outcomes (Relevance can receive either a satisfactory rating or a unsatisfactory rating. For effectiveness and cost efficiency a six point scale 6= HS to 1 = HU will be used)</b>	
<b>a. Relevance</b>	<b>Rating: S</b>
Both the PRODOC and the TE provide a good analysis and evidence about the relevance of the Project to global biodiversity benefits in terms of the high importance of Ecuadorian biodiversity, the development of the PA system, its weaknesses and derived threats to biodiversity and the expected role of the Project in addressing those weaknesses. Ecuador is one of the 17 mega-biodiversity countries in the world according to WWF. Its National System of Protected Areas is well established (created in 1976) and covers 18% (5 million has) of the land area of the country. Securing the funding and improving the management of the entire PA System while improving PA management in pilot cases in two high-priority PAs is definitively highly relevant, not only for Ecuador but also for global biodiversity conservation.	
<b>b. Effectiveness</b>	<b>Rating: S</b>
According to the TE all Objectives and Indicators were achieved satisfactorily. Adequate evidence is provided in the TE to sustain that assertion. In one case the actual achievements exceeded the indicator as 11 PAs instead of 9 were supported in their recurrent costs. In other case, the achievement just reached 70% of the target, as the privatization of services was slower than planned, but at the time of Project finalization the process was at the step of allocating the contracts based on the completed biddings.	
<b>c. Efficiency (cost-effectiveness)</b>	<b>Rating: S</b>
The Efficiency section in the TE was left blank with the acronym NA (not apply) and did not provide reasons for that decision. This was a large budget Project that had significant achievements in terms of the sustainability of the Ecuador PA System as, at Project termination, 11 prioritized PA were having their recurrent costs covered with an expectation to remain in that situation indefinitely thanks to the Protected Areas Fund. The capitalization goal of the PAF was surpassed (US\$ 13.5 million instead of the US\$ 12 million planned) and 24% of the recurrent costs of the entire PA System were completely covered. Moreover, the PAF growing was expected to continue after Project closure (an ex-post evaluation mission is planned for 2009). Therefore, putting in place a long-term mechanism that	

will ensure the management of key PAs in one of the world's mega-biodiversity countries can be considered as very efficient as the costs will be diluted over the years. Whether or not these results could have been achieved with fewer resources cannot be assessed as there are not established benchmarks or reference lines for this type of processes.

#### 4.1.2 Impacts

The long-term impact on Ecuador biodiversity conservation cannot be evaluated in the short period of time since Project implementation and completion. In terms of long-term changes for the NSAP, the following outcomes (expected to contribute to the expected mentioned impact) can be listed:

- PAF Trust Fund is fully operational and its planned capital endowment has been surpassed (original goal: US \$ 12 million; actual: \$ 13.5 million), covering basic recurrent costs of 11 protected areas, about 24% of NSPA's basic recurrent costs.
- Management Committees involving local communities were established and are actively involved in 2 PAs management.
- Biodiversity Monitoring system is fully operational in two PAs.

**4.2 Likelihood of sustainability.** Using the following sustainability criteria, include an assessment of **risks** to sustainability of project outcomes and impacts based on the information presented in the TE. Use a four point scale (4= Likely (no or negligible risk); 3= Moderately Likely (low risk); 2= Moderately Unlikely (substantial risks) to 1= Unlikely (High risk)). The ratings should be given taking into account both the probability of a risk materializing and the anticipated magnitude of its effect on the continuance of project benefits.

<b>a. Financial resources</b>	<b>Rating: L</b>
Three Project components were aimed to improve PA System management in general and a couple of areas in particular. The fourth component helped to develop a trust fund to support financially the PA System and its improvements. Initially it was expected that this Fund will cover 9 key PAs, but at the end of the Project it was covering 11 PAs. The TE reported sustainability risks to one component, the NSPA M&E System that was designed and implemented but that is depending on MOE budget for data collection in the future and this support was not long-term secured at Project completion.	
<b>b. Socio political</b>	<b>Rating: ML</b>
The TE mentions some issues of land tenure (more or less 20% of the PS System lands are still privately owned) as a problematic issue that is being addressed. The extension of these lands and the activities in place to solve the issue suggest that these issues will remain under control.	
<b>c. Institutional framework and governance</b>	<b>Rating: L</b>
The Project was implemented by the Ministry of the Environment and National Environmental Fund, therefore the institutional aspects are well secured. In terms of governance, both the Ecuador PA policy and the Project efforts were and are directed to involve local communities neighboring PA to participate in its management through different participatory management mechanisms.	
<b>d. Environmental</b>	<b>Rating: ML</b>
All PA Systems in the world, including Ecuador, are going to be affected by climate change in a way still difficult to predict. Therefore, negative impacts are expected but different actions are being taken to maintain the effectiveness of the PA Systems (both in climate change adaptation and mitigation areas) in protecting biodiversity.	
<b>e. Technological</b>	<b>Rating: L</b>
No technological risks are envisaged at the moment.	

#### 4.3 Catalytic role

##### a.. Production of a public good

The National System of Protected Areas is a public good as it protects biodiversity and provides environmental goods and services for the entire population of Ecuador and the world. Project activities contributed to improve both the effectiveness and the sustainability of this System.

##### b.. Demonstration

According to the TE, the experiences of the Project in the prioritized PAs were broadly disseminated. This includes its experiences in terms of planning, monitoring and financial tools and mechanisms for analysis and discussion through various documents, capacity building events at a local level, and information exchange with actors involved in the project. Among the functionaries at the Ministry of Environment (at both the central and PAs levels), the transfer of knowledge took place through the elaboration of operational manuals, preparation of different events, and strategic analysis, among other means. The main purpose of such dissemination approach was to motivate different actors to expand and upscale such initiatives, ideally to cover as much national protected areas as possible and even pilot such experiences at municipal and private protected areas.

The management, operation and funding of the NSPA of Ecuador is a good demonstrative experience for other countries of the world given the participatory approaches used, the concern and effective actions to develop sustainable

funding mechanisms to support it, the involvement of the private sector in different ways and roles and the concern to maintain an ecologically viable system. Project activities contributed to enhance all these aspects.

**c. Replication**

According to the TE, the immediate replication actions after the project closing will be the installation of the financial administrative system to cover at least 50% of the national PAs and the incorporation of at least 10 more PAs to the biodiversity monitoring system. The Inter-American Development Bank (IDB) replicated both, the biodiversity monitoring and financial systems under its BIDAMAZNOR Project (one of the project's co-financier), in the Cuyabeno Reserve and two other Reserves supported by its operation, to secure a standardized methodology.

**d. Scaling up**

The experiences of the two pilot areas were in process of scaling-up to the entire NSPA. At the same time, the process of the Ecuador NSPA provide valuable experiences for other tropical mountain countries and also at higher level processes such as CBD and similar regional and global processes. The experiences are most probably being shared with these processes but this type of actions were not addressed by the Project

**4.4 Assessment of processes and factors affecting attainment of project outcomes and sustainability.**

**a. Co-financing.** To what extent was the reported cofinancing (or proposed cofinancing) essential to achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If it did, then in what ways and through what causal linkages?

According to the TE the co-financing was essential to achieve the Project Objectives, particularly those of the component related to the consolidation of the Protected Areas Trust Fund to cover the recurrent costs of priority protected areas.

Also according to the TE, all co-financing commitments were fulfilled at a level higher than 99% of the proposed level.

**b. Delays.** If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If it did, then in what ways and through what causal linkages?

There was one 6-month extension of the Project aimed to allow it to complete its Objectives. This extension took place between July and December 2007. As the Project had a slower than planned beginning, this extension allowed for the complete and satisfactory achievement of Objectives and Indicators.

**c. Country Ownership.** Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability highlighting the causal links.

As the Project was developed and implemented by Government organizations and the main institutional beneficiary was the National System of Protected Areas, the country ownership was adequate. This ownership was evidenced by the additional efforts made by the national institutions to speed-up the implementation and recover satisfactory from a slow start due to Governmental instabilities that led to unsatisfactory reviews at the end of the first year of implementation; this rating was changed to Satisfactory at the end of the second year and remained in this level until the end.

**4.5 Assessment of the project's monitoring and evaluation system based on the information in the TE**

**a. M&E design at Entry** **Rating (six point scale): S**

According to the TE, the Project M&E design is adequate as the Project document defined the indicators to be used and a procedure to monitor them. The Project Document identified correctly that it should be addressing two different issues: one is the Project M&E and the other is related to Component 4 of the proposal (M&E System for the National System of Protected Areas). The M&E system including both components was planned to be developed during the first year of the Project and implemented immediately. The first ISR (Implementation Status and Results) Report reports the fulfillment of the task.

**b. M&E plan Implementation** **Rating (six point scale): S**

According to the TE, the M&E implementation was satisfactory as information for all indicators was properly collected, analyzed and used for reporting. Moreover, performance monitoring was carried out through detailed workplans properly implemented after the project delays experienced during first year. All planned IA visits and evaluation missions were carried out as planned

**b.1 Was sufficient funding provided for M&E in the budget included in the project document?**  
 Unable to assess in terms of the GEF contribution. The TE reports that the total M&E budget at design was US\$ 1.4 million and, at the end, the actual amount spent was US\$ 1.9 million (36% higher). The problem is that these numbers represent the entire Project effort and the partners contribution is not presented in a disaggregated way by partner.

Moreover, the mentioned figures are for the entire M&E system that includes both Project M&E and the entire NSPA M&E.
b.2a Was sufficient and timely funding provided for M&E during project implementation? Yes, based on the consideration that all planned activities were reported as implemented properly, and the general expenditure evolution of the Project showed a regular disbursement of funds.
b.2b To what extent did the project monitoring system provided real time feed back? Was the information that was provided used effectively? What factors affected the use of information provided by the project monitoring system? Yes. According to the TE and the IRS Reports the M&E information led to specific recommendations to Project management that ended in an effective implementation that overcame the reported delays that took place during the first two years of implementation.
b.3 Can the project M&E system (or an aspect of the project M&E system) be considered a good practice? If so, explain why. Yes. The M&E system performed satisfactorily in general in terms of what an M&E system should be. Therefore, while recognizing that the entire system maintained a satisfactory standard, no particular component can be specifically highlighted.

#### 4.6 Assessment of Quality of Implementation and Execution

<b>a. Overall Quality of Implementation and Execution (on a six point scale): S</b>
<b>b. Overall Quality of Implementation – for IA (on a six point scale): S</b>
Briefly describe and assess performance on issues such as quality of the project design, focus on results, adequacy of supervision inputs and processes, quality of risk management, candor and realism in supervision reporting, and suitability of the chosen executing agencies for project execution. The TE provides an analysis of the IA activities related to the issues addressed in this section. The TE analysis is thorough and it is consistent with the Project IRS and other documents. It concludes that the IA performance was satisfactory. Performance was assessed at two stages: Project preparation and appraisal and Project supervision. For both stages the TE analyzes IA activities. During Project preparation, the IA supported the work technically and ensured broad participation; a Social Assessment was also implemented during this stage. The supervision along the implementation phase was close and continuous, ensuring Project continuity along the seven successive Ministries of Environment who hold that position during the Project lifetime. All ISR were conducted and provided both realistic ratings and clear recommendations for follow-up whose implementation was monitored. The IA task team also conducted a Mid-term review in 2006.
<b>c. Quality of Execution – for Executing Agencies<sup>1</sup> (rating on a 6 point scale) S</b>
Briefly describe and assess performance on issues such as focus on results, adequacy of management inputs and processes, quality of risk management, and candor and realism in reporting by the executive agency.  The TE provides an analysis of the EA activities related to the issues addressed in this section. According to the TE, the Ministry of Environment was responsible for the implementation of Components 1, 2 and 4. MAE's performance during implementation is evaluated in two phases: first phase lasting until the end of 2004; and the second phase from early 2005 until the closure of the project. In the first phase, the government performance was unsatisfactory, particularly in relation to technical administrative team performance, procurement management in terms of schedules and reliability and non-compliance in terms of timely reporting on technical and financial aspects. In the second phase, the Ministry's commitment and performance improved significantly. The second technical-administrative team contracted by the project that supported project implementation worked fully blended with the counterpart team at the Directorate of Biodiversity and the Project was implemented adequately.  The Ministry also established strategic partnerships among stakeholders at both the national level, including NGOs such as CI and TNC, as well as at the international level, including the USAID. These partnerships not only strengthened the initiative to achieve the common goals outlined in the project's objective, but also optimized human resources and finances in the process.  The other EA was the National Environmental Fund-FAN. It was responsible for the implementation of the Component 3. FAN's main responsibility under the project was the Administration of the GEF endowment and the Protected Areas Fund (PAF). As administrator of the PAF, it ensured that the expenditure of its resources fulfilled the requirements established by the project. It had adequate organizational structure with experienced staff, and was capable of adequate planning and monitoring activities

<sup>1</sup> Executing Agencies for this section would mean those agencies that are executing the project in the field. For any given project this will exclude Executing Agencies that are implementing the project under expanded opportunities – for projects approved under the expanded opportunities procedure the respective executing agency will be treated as an implementing agency.

## 5. LESSONS AND RECOMMENDATIONS

Assess the project lessons and recommendations as described in the TE

### a. Briefly describe the key lessons, good practice or approaches mentioned in the terminal evaluation report that could have application for other GEF projects

#### *Project Design, Management and Implementation Issues*

- The approval of laws should be avoided as a condition given that the passage of laws is in the hands of the legislative branch.
- Based on previous experiences, the establishment of project units at the executing agency has strongly limited the integration of the project activities to the executing agencies' planning, effectiveness and most important, ownership. After assessing this project, it could be confirmed that a support technical team fully blended with and integrated to the counterpart team has only benefited project's implementation, has secured efficiency, encouraged ownership and has allowed sharing of knowledge between the partners
- Consulting a range of stakeholders through the Participatory Management Committees (PMCs) and other mechanisms such as the Protected Areas Advisory Committee and the agencies that actively participated in the development of the Protected Areas Financial Strategy, has strongly promoted ownership of the project objectives and activities.
- The design and implementation of long-term financing mechanisms to cover the recurrent costs of protected areas secured the overall sustainability of the actions implemented under the project.
- The implementation of biodiversity conservation/protected areas projects in the Andean Region has demonstrated that those projects aimed at achieving change at the system level are more efficient when they have adequate resources, a sufficiently long time frame and a realistic implementation plan. For this reason, future operations should seek a programmatic approach and ensure that beneficiary countries provide strategic contexts for long-term implementation, under which GEF should progressively reduce participation and help to leverage other funds.

#### *Monitoring and Evaluation*

- The lack of key performance indicators for biodiversity can impede the ability of project to track performance and assessed sustained results.
- Monitoring system with measurable indicators as well as a strategic framework are critical to ensure a long term assessment of impacts and to define the objectives and scope of future operations.
- The application of the World Bank/World Wild Life monitoring tool to assess the efficiency of individual protected areas has been an extremely valuable mechanism at the main stages of project implementation.
- To achieve the GEF conservation objectives for the project, indicators to measure the sustainability of biodiversity must be in place, taking into consideration the carrying capacity of the Protected Areas and the current and projected future resource use patterns by communities.

#### *Government Commitment and Sustainability*

- Central Government does not need to be responsible for all aspects of protected areas management. Local governments and private sector can play a critical role in management and could help leverage resources.

### b. Briefly describe the recommendations given in the terminal evaluation

The TE does not have a formal section on Recommendations. They can be found across the document in several places. Some of the relevant ones are:

- Since the initial operation of the GEF, biodiversity projects have tried to demonstrate the important link between biodiversity conservation and economic development, including improved livelihoods and cost-effectiveness to mainstream conservation in national development planning and economic policies. Effort should continue to actually demonstrate such a linkage through real, replicable initiatives involving populations whose livelihoods mainly and directly depend on the sustainable use of natural resources.
- The protected areas management plans should become tools not only for planning, but to actually increase overall management efficiency. These plans should permit the establishment of a structure synchronizing actions made within the central Ministry and within its distinct regions with the end goal of ensuring an efficient administration of the protected areas. A wider dissemination of the knowledge accumulated through such planning exercises will also help to ensure long-term commitment by key actors.
- Conservation and the sustainable use of biodiversity in rural landscapes demand further development of sustainable productive systems, which in turn require an adequate system of technology transfer. Efforts are needed to ensure both.
- Part of the solution to land tenure conflicts must be achieved through recognition of communal and individual property rights, and as such should be linked to an environmental territorial ordering and the generation of incentives to promote ecological, economic and social sustainability

## 6. QUALITY OF THE TERMINAL EVALUATION REPORT

### 6.1 Comments on the summary of project ratings and terminal evaluation findings based on other information sources such as GEF EO field visits, other evaluations, etc.

Not available

Provide a number rating 1-6 to each criteria based on: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, and Highly Unsatisfactory = 1. Please refer to document GEF Office of Evaluation Guidelines for terminal evaluations review for further definitions of the ratings. Please briefly explain each rating.

6.2 Quality of the terminal evaluation report	Ratings
<p><b>a. To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?</b> The Report has an evidence-based assessment of the achievement of the Objectives through a detailed analysis of the achievement of its Indicators.</p>	HS
<p><b>b. To what extent the report is internally consistent, the evidence is complete/convincing and the IA ratings have been substantiated? Are there any major evidence gaps?</b> Yes. The report is well organized and its different parts are well linked. All ratings are well substantiated and no major evidence gaps were found</p>	HS
<p><b>c. To what extent does the report properly assess project sustainability and /or a project exit strategy?</b> Yes. It does it in a detailed and thorough way, providing good evidence and comments about these issues/</p>	HS
<p><b>d. To what extent are the lessons learned supported by the evidence presented and are they comprehensive?</b> Lessons learned are thoroughly organized and well presented with supporting evidence and adequate analysis.</p>	HS
<p><b>e. Does the report include the actual project costs (total and per activity) and actual co-financing used?</b> Yes. The financial information is detailed, complete, presented in an organized way and relatively easy to understand. There is a shortcoming about the disaggregation of expenses by partner. This large Project had several funding agencies contributing to it and their contribution is shown only at the level of large components; there is no detailed presentation about how GEF funds were used other than its split along the 4 main Project components.</p>	S
<p><b>f. Assess the quality of the reports evaluation of project M&amp;E systems?</b> The TE Report devotes little space to assess the Project M&amp;E System. It just describes its components briefly and states that all worked well. Most of the effort on the M&amp;E section of the Report is dedicated to the large M&amp;E component of the National System of Protected Areas that was designed and implemented as part of the Project activities. While this last emphasis is right, similar effort should have been devoted to Project M&amp;E.</p>	S

## 7. SOURCES OF INFORMATION FOR THE PREPARATION OF THE TERMINAL EVALUATION REVIEW REPORT EXCLUDING PIRs, TERMINAL EVALUATIONS, PAD.

The reviewer traveled extensively and read documentation about Ecuador in 2007 looking at issues related with Protected Areas and biodiversity conservation in general to develop a Country Case Study for the GEF Evaluation of the GEF Small Grants Programme.